

Elk Hills School Lands Fund

Proposed Appropriation Language

[For necessary expenses in fulfilling installment payments under the Settlement Agreement entered into by the United States and the State of California on October 11, 1996, as authorized by section 3415 of Public Law 104–106, \$36,000,000 for payment to the State of California for the State Teachers' Retirement Fund from the Elk Hills School Lands Fund.]

Explanation of Change

No change.

Elk Hills School Lands Fund

Overview

Appropriation Summary by Program

(dollars in thousands)

	FY 2003 Comparable Appropriation	FY 2004 Comparable Appropriation	FY 2005 Base	FY 2005 Request	FY 2005 Request vs Base	
					\$ Change	% Change
Elk Hills School Lands Fund.....	36,000	36,000	36,000	36,000	0	0%

Public Law Authorization:

P.L. 104-106, National Defense Authorization Act for FY 1996

Preface

The Elk Hills School Lands Fund provides settlement to the State of California with respect to its longstanding claims to parcels of land within NPR-1.

Mission

The mission of the Elk Hills School Lands Fund subprogram is to provide settlement to the State of California with respect to its longstanding claims to two parcels of land ("school lands") within NPR-1. The Act also provided for nine percent of the net sales proceeds to be reserved in a contingent fund in the Treasury for payment to the State, subject to appropriation. The Departments estimate of 9 percent of the net sales proceeds was \$324 million, of which \$298 million has already been deposited into the contingent fund. The Department will adjust the amount in the contingent fund once all divestment related costs have been paid and final equity has been determined.

Benefits

The agreement calls for payment from the contingent fund to the State of California, subject to appropriation, of 9% of the net sales proceeds, with respect to its longstanding claims to two parcels of land ("school lands") within NPR-1.

Elk Hills School Lands Fund

Funding by Site by Program

(dollars in thousands)

	FY 2003	FY 2004	FY 2005	\$Change	%Change
ELK HILLS SCHOOL LANDS FUND					
State of California.....	36,000	36,000	36,000	0	0.0%

Site Description

State of California

The Agreement calls for payment from the contingent fund to the State of California, subject to appropriation, of nine percent of the net sales proceeds, with respect to its longstanding claims to two parcels of land ("school lands") within NPR-1.

Elk Hills School Lands Fund

Funding Profile by Subprogram

(dollars in thousands)					
	FY 2003	FY 2004	FY 2005	\$Change	%Change
ELK HILLS SCHOOL LANDS FUND					
State of California	36,000	36,000	36,000	0	0.0%

Mission

The first installment payment was appropriated in FY 1999. No appropriation was provided in FY 2000, but the FY 2000 Interior and Related Agencies Appropriations Act provided an advance appropriation of \$36 million, which was paid in FY 2001 (second installment). The third, fourth and fifth installments of \$36 million were paid at the beginning of FY 2002, FY 2003, and FY 2004 respectively. The FY 2004 Appropriations Act contained an advance appropriation for the sixth installment payable on October 1, 2004. The FY 2005 request reflects payment of that sixth installment. In light of the delays in equity finalization, the Department expects to consult with the State of California to discuss a revised payment schedule in calendar year 2004.

Benefits

The agreement calls for payment from the contingent fund to the State of California, subject to appropriation, of 9% of the net sales proceeds, with respect to its longstanding claims to two parcels of land ("school lands") within NPR-1.

Detailed Justification

(dollars in thousands)			
	FY 2003	FY 2004	FY 2005
Elk Hills School Lands Fund.....	36,000	36,000	36,000

FY 2005 reflects the payment of the sixth installment – provided for in the FY 2004 Appropriations Act.

Explanation of Funding Changes

None.